

CC: Daron
PFO

April 25, 2000

Utah Coal Regulatory Program Division of Oil, Gas and Mining 1594 North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801

Attention:

Daron Haddock Permit Supervisor RECEIVED

APR 2 5 2000

DIVISION OF OIL, GAS AND MINING

RE: MILL FORK CANYON SURFACE DRILLING APPLICATION; UTAH STATE COAL LEASES ML-48258; PACIFICORP, MILL FORK CANYON, EMERY COUNTY, UTAH

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits three (3) copies of the Mill Fork Canyon - Helicopter Assisted Drilling Application.

Energy West proposes to conduct a helicopter assisted minor coal exploration surface drilling program during the 2000 field season. The project will consist of one (1) core hole drilled in Mill Fork Canyon to analyze seam characteristics and thickness. The proposed drill hole is located within the current Utah State Coal Lease ML-48258, in Section 12, Township 16 South, Range 6 East, Salt Lake Base and Meridian. The drilling will occur on lands in which the surface is administered the United States Forest Service (U.S.F.S.) and the subsurface by the State of Utah. The proposed site is situated on the existing U.S.F.S. Trail 171-391 located in the canyon bottom of Mill Fork. Currently, Utah State Coal Lease ML-48258 is not permitted under the Utah Coal Program.

Recently, Energy West has successfully utilized helicopter supported drilling in coal leases adjacent to the Mill Fork coal tract. Exploration was conducted in steep terrain in Rilda Canyon (south of Mill Fork Canyon) in remote areas where road construction was unfeasible. Energy West has strategically selected the proposed drill hole location to minimize environmental impacts and to maximize geologic data. As indicated above, the proposed hole is located on a established trail - U.S.F.S. Trail 171-391 located in the canyon bottom of Mill Fork. As outlined in the drilling application, no site preparation is necessary, i.e., construction of roads or drill pad. Energy West goes to great extent to minimize environmental impacts, that include; drilling technique, site selection, protecting existing vegetation with a protective cover, artificially leveling of the drill site and area restoration.

April 25, 2000 Division of Oil, Gas and Mining Mill Fork Drill Application Page Two

To eliminate potential conflicts with raptors in Mill Fork Canyon, Energy West proposes to commence drilling operations after the July 15 raptor nesting season deadline. Based upon the 1999 raptor survey completed with Division of Wildlife Resources, the proposed activity is located within the ½ mile buffer zone of the nest 78 located in Mill Fork Canyon. As documented in the 1999 survey, nest 78 was inactive (refer to Drilling Application for additional information). Raptor activity in Mill Fork Canyon will be evaluated during the 2000 survey scheduled for May 19, 2000.

If you require any additional information please call me at (435)687-4720.

Thank you for your assistance in this matter.

Sincerely,

Charles A. Semborski

Geology/Permitting Supervisor

Enclosures

cc:

John Blake, SI TLA

Crockett Dumas (USFS) w/encl. Jeff DeFreest, (USFS) w/o encl. Rodger Fry (Interwest) w/o encl. Scott Child (Interwest) w/o encl.

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MILL FORK CANYON HELICOPTER DRILLING APPLICATION UTAH STATE COAL LEASE ML-48258

APRIL 2000

C/O Interwest Mining Company (Managing Agent)



Energy West Mining Company (Mine Operator)





MILL FORK CANYON HELICOPTER DRILLING APPLICATION UTAH STATE COAL LEASE ML-482589

APRIL 2000

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INTRODUCTION:

PacifiCorp proposes to drill one (1) coal exploration hole in the Mill Fork Canyon. The purpose for drilling is to assess coal characteristics and seam thickness. The hole will be drilled using a helicopter transported drill rig in accordance with the following plan. Less than 250 tons of coal will be removed.

LOCATION AND DEPTH OF PROPOSED DRILL HOLE:

One (1) potential drill site is indicated on the accompanying drawings. The approximate location, depth and elevation of the hole is as follows:

HOLE NUMBER	LOCATION	ELEVATION (Feet)	DEPTH	SURFACE OWNERSHIP	COAL OWNERSHIP
MLF-1	100' North, 1305' West of the SE Corner of Sec. 12, T. 16S, R. 6E.	8640	850	USFS	State Coal Lease ML-48258

In accordance with Federal Regulations 43 CFR 3482.1 (a), 30 CFR 772.11 and State of Utah R645 Coal Mining Rules, the following is submitted:

APPLICANT:

PacifiCorp
One Utah Center
201 South Main, Suite 2100
Salt Lake City, Utah 84140-0021
(801)220-2000

OPERATOR:

Energy West Mining Company 15 North Main Street Huntington, Utah 84528 (801)687-9821

RESPONSIBLE REPRESENTATIVE:

Charles Semborski or Ken Fleck Energy West Mining Company 15 North Main Street Huntington, Utah 84528 (801)687-9821

PROJECT STARTUP DATE:

July 15, 2000

PROJECT COMPLETION DATE:

September 15, 2000

PROPOSED EXPLORATION AREA:

The proposed drill hole is located within the current Utah State Coal Lease ML-48258, in Section 12, Township 16 South, Range 6 East, Salt Lake Base and Meridian. The drilling will occur on lands in which the surface is administered by the United States Forest Service (USFS) and the subsurface by the State of Utah [The reviewer is referred to the accompanying maps titled Mill Fork Canyon - 2000 Helicopter Exploration Drilling, Surface Ownership Map, Coal Ownership Map].

The proposed hole will be drilled in Mill Fork Canyon, a tributary to Huntington Canyon, in Emery County, Utah. The proposed site is situated on the existing trail (U.S. Forest Service 171 391) located in the canyon bottom of Mill Fork. The drill site is located in the upper Blackhawk Formation with an estimated elevation of 8640 feet.

VEGETATION and WILDLIFE:

The vegetation in the area consists of a Cottonwood/Aspen/Fir/Dogwood community in the bottom of the canyon and Spruce-Fir Coniferous Forest inter-mixed with Salina Wildrye/Mountain Mahogany on the south side slope and Salina Wildrye/Mountain Mahogany/Pinyon-Juniper on the north slope. The primary land uses associated with the area are wildlife habitat and livestock grazing and recreation. The area is presently classified for the following wildlife uses by the Utah Division of Wildlife Resources (DWR):

Mule Deer

High Priority Summer Range

Elk

Critical Winter Range and High Priority Summer

Range

The proposed drilling is not expected to have a detrimental impact on any of these species, their habitat or other land uses associated with the area.

Surveys for Threatened, Endangered and Sensitive (TES) plant and animal species have been conducted in connection with various projects in this area of Rilda Canyon (Surface Facilities, Permit Extension and Powerline) and the Mill Fork coal leasing process. Results of these surveys have been provided to the various regulatory agencies in the applications for the projects. No TES plants and animals have been found in the area of the proposed drill hole. Based upon the 1999 raptor survey completed with DWR, the proposed activity is located within the ½ mile buffer zone of the nest 78 located in Mill Fork Canyon. As documented in the 1999 survey, nest 78 was inactive. Raptor activity in Mill Fork Canyon will be evaluated during the 2000 survey scheduled for May 2000. PacifiCorp proposes to commence drilling operations after the July 15 raptor nesting season deadline.

ARCHEOLOGICAL INFORMATION:

The proposed location is along the existing trail (U.S. Forest Service 171 391) located in Mill Fork Canyon. No construction or excavation is necessary utilizing helicopter supported drilling techniques.

EXPLORATION METHODS:

Pre-Work Meeting:

A pre-work meeting including the responsible company representatives, contractors, State of Utah Institutional Trust Lands Administration, and the Forest Service will be conducted at the project location prior to commencement of operations.

Road Use Permit:

The Forest Service will be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.

Mill Fork Canyon (U.S. Forest Development Road #245): Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area located at the end of U.S. Forest Service Road #245 in Section 17, Township 16 South, Range 7 East.

Fire Suppression Equipment:

All gasoline and diesel powered equipment will be equipped with effective mufflers or spark arresters which meet applicable Forest Service specifications. Fire suppression equipment will be available to all personnel working at the project site. Equipment will include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or combustion engine.

Drill Hole Access and Pad Construction:

No access road or pad construction will be necessary for the proposed project. Drilling equipment and materials will be transported to the drill site by helicopter. Personnel will access the site by vehicle via existing roads and on foot. The drill site is relatively level (10 percent or less slope); therefore, minimal site preparation will be necessary. Vegetation, in the form of trees, grasses, forbes and sparse, low shrubs, will not be removed. However, it may be necessary to remove dead-fall and some "taller" shrubs (mahogany, etc.). This will be minimized and accomplished using hand tools. The dead-fall will be replaced upon completion of drilling. An area no larger than approximately 40' by 40' will be occupied at the drill site. Leveling of drilling equipment will be accomplished using hand tools and supports (wood blocks, etc.) transported to the site by helicopter. All materials, tools and equipment will be removed upon completion of drilling and reclamation activities.

Water Requirements & Rights:

Water will be pumped directly from Mill Fork Creek. A gasoline/diesel powered water pump will be stationed near the creek and water will be pumped to water tanks located at the drill site.

The amount of water required for the project is estimated at 20,000 gallons per hole. Therefore, the maximum total quantity of water to be used is estimated at approximately 20,000 gallons (0.06 acre feet). A *Temporary Exchange Application* will be filed and approved with the State of Utah, Division of Water Rights prior to commencement of operations.

Drill Methods & Procedures:

A three inch maximum diameter hole will be core or rotary drilled the entire length to the approximate depth stated previously. Drilling depth will be sufficient to accomplish penetration through both the Blind Canyon and Hiawatha coal seams. The drilling will be done by a drilling contractor experienced in helicopter supported drilling. The drill is a diesel powered rotary drill rig mounted on 4' x 8' skids. Drilling will utilize water and, as necessary, a biodegradable polymer drilling "mud" such as MINEX 1330 (see attached MSDS). The water will be obtained from Mill Fork Creek.

The following support equipment will be required:

3 pickup trucks - stationed at the staging area

The drill rig components and associated materials, tools and equipment will be transported by truck to the helicopter staging area indicated on the accompanying map. The tools and materials necessary for site preparation will be transported to the drill site by helicopter. Site preparation will include removal of dead-fall and brush as necessary and installation of silt fence material on the down-slope sides of the site. Minor digging, using hand tools, may be necessary at some locations to achieve effective installation of the silt fence and placement of the leveling support materials (wood blocks, etc.). Brattice or other similar material will be placed on the ground beneath the drill rig which will be transported to the site by helicopter in several "lifts". The drill rig components will be assembled at the drill site, the rig will be leveled and other necessary materials will be flown to the site.

A 1" diameter high-pressure hose will be laid overland from the pump stations to the drill site. This will be accomplished by hand and/or helicopter. No clearing of vegetation will be necessary for placement of the water hose. Existing openings among the trees will be utilized. Additionally, no vegetation clearing will occur at the water tank/pump sites or the helicopter staging areas. Activities will be confined to the existing road in Mill Fork Canyon. The necessary approvals will be obtained from the U.S. Forest Service for activities associated with the respective roads.

During the drilling operation, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek Waste Rock Site for disposal. Containment of possible fluid spills will be achieved through the use of brattice ground cover, silt fence, and if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean-up, the site of removal will be recontoured and seeded with the approved seed mixture.

Fuel and/or lubricating oil containers not stored in a truck will be placed on brattice or other acceptable ground cover at a site located away from drainage channels and surrounded by silt fence, earthen berm or other acceptable containment structure. If spills occur, clean-up will be conducted as stated above.

Access by personnel associated with the drilling project will be via vehicle to Mill Fork Canyon and by foot to the drill site. Therefore, no additional access facilities will be constructed.



As previously discussed, a 3" maximum diameter hole will be core or rotary drilled for the entire depth of the hole. The hole will penetrate through both the Blind Canyon and Hiawatha coal seams. This will result in approximately a maximum of 100 pounds of coal being removed. The core and/or cuttings will be examined to determine coal seam characteristics. The drill rig and all associated equipment and materials will be removed by helicopter.

Hole Abandonment:

Groundwater is not anticipated to be encountered; therefore, the proposed hole will not be retained as water monitoring well. However, if groundwater is present, it will be reported to the appropriate agencies (SITLA, USFS, DOGM) and a determination will be made regarding the transfer and modification of the drill hole to a monitoring well.

Upon completion of down-hole procedures, the drill hole will be completely sealed with cement from the bottom of the hole to ground level. The cement slurry mixture used to plug and seal the hole will be mixed in compliance with standard cement mixing tables (e.g. Halliburton). Any variance from this procedure will be approved in advance by SITLA and DOGM.

Drill Site and Pump Station Reclamation:

Following completion of drilling and plugging activities and removal of all materials and equipment from the drill site, the site will be reclaimed. If soil disturbance has occurred, the areas will be repaired and recontoured using hand tools.

The areas will then be reseeded using the following certified seed mixture or a mixture stipulated by the Forest Service.

<u>Species</u>	lbs/acre (PLS)
Intermediate Wheatgrass - Agropyron intermedium	3
Slender Wheatgrass - A. trachycaulum	3
Orchard Grass - Dactylis glomerata	2
Western Wheat Grass - A. smithii	2
Smooth Brome - Bromus inermus	3
Ladak Alfalfa - Medicago sativa ladak	1
Yellow Sweet Clover - Meliotus officinalis	1
Small Burnett - Sanguisorba minor	1
Perennial Ryegrass - Lolium perenne	1

The seed mixture will be hand broadcast using a hurricane spreader and the area will be hand raked following seeding to cover the seed. Following seeding, any dead-fall that was removed from the drill site will be replaced.

Following completion of drilling, the drill rig and all associated equipment and materials will be removed by helicopter to the helicopter staging area and transported from the area by vehicle. The water hose, tanks and pumping station and all associated materials and equipment will be removed. All trash and extraneous materials will be removed from the US Forest Service property and disposed of at an approved location.

It is anticipated that all drilling and reclamation activities associated with this project will be completed within 15 days following the date of implementation.











